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June 5, 2000

VIA HAND DELIVERY

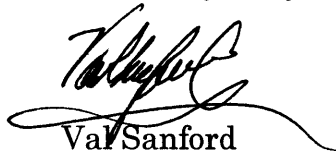
Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37201

In Re: *Joint Petition of Crockett Telephone, Inc., People's Telephone Company,
West Tennessee Telephone Company, Inc. and the Consumer Advocate
Division of the Office of the Attorney General for the Approval and
Implementation of Earnings Review Settlement
Docket No. 99-00995*

Dear Mr. Waddell:

Enclosed for filing are the original and thirteen copies of the Statement of Issues by AT&T Communications of the South Central States, Inc. in the above-referenced case. Copies are being served on counsel for parties of record.

Yours very truly,


Vance L. Broemel

VS/ghc

Enclosures

cc: Vance L. Broemel
T. G. Pappas and R. Dale Grimes
James P. Lamoureux
Garry Sharp

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BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE: *Joint Petition of Crockett Telephone, Inc., People's Telephone Company, West Tennessee Telephone Company, Inc. and the Consumer Advocate Division of the Office of the Attorney General for the Approval and Implementation of Earnings Review Settlement*

Docket No. 99-00995

STATEMENT OF ISSUES BY
AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC.

Pursuant to the Notice dated April 19, 2000, in this matter, AT&T Communications of the South Central States, Inc. files the following list of proposed issues:

1. What regulatory policies should be followed in the design of rates for telecommunications service providers under rate base rate of return regulation under present statutory policies?
2. What, if any, legal or regulatory policies justify or support the revenue adjustments proposed in the Settlement Agreement to resolve the forecast overearnings of the TEC Companies?
3. In designing the revenue adjustments necessitated by the TEC Companies overearnings, what, if any, consideration was given, and should be given, to a reduction in the access charges paid by interexchange carriers?
4. On the basis of what, if any, legal or regulatory policies, and by what regulatory procedures, have the rates of the TEC Companies for "business access lines" and "residence access lines" been set in the Settlement Agreement?

5. What have been, and what are forecast to be, the revenues received by each of the TEC Companies for "business access lines" and "residence access lines"?

6. What are, and what are forecast to be, the costs to each of the TEC Companies for providing "business access lines" and "residence access lines"?

7. What is the relationship between the revenues to be received by the TEC Companies for "business access lines" and "residence access lines" and the costs to each of the TEC Companies for providing "business access lines" and "residence access lines"?

8. In making the revenue adjustments to resolve the forecast overearnings of the TEC Companies, should rates for services priced below cost be reduced?

9. In making the revenue adjustments to resolve the forecast overearnings of the TEC Companies, should rates for services priced above cost be reduced?

10. On what basis, and under what procedures, have the access charges paid by interexchange carriers to the TEC Companies been set, and on what basis, and under what procedures, are such access charges included in the forecast revenues of the TEC Companies?

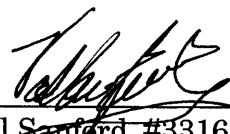
11. On what basis, and under what agreements or procedures, were the TEC Companies compensated by South Central Bell Telephone Co. and BellSouth Telecommunications, Inc. for handling intraLATA traffic; and on what basis, under what agreements or procedures, are such payments included in the forecast revenues of the TEC Companies?

12. What will be the consequences of the proposed rates of the TEC Companies for "business access lines" and "residence access lines" on any rebalancing of the TEC Companies' rates by virtue of any universal service mechanism?

13. What has been the position taken by the CAD in proceedings before the TPSC and the TRA with respect to reductions in access charges paid by interexchange carriers to local exchange carriers; and what has been the basis for that position?

14. What has been the position taken by the CAD in proceedings before the TPSC and the TRA with respect to the adoption of policies to further the development of competition in telecommunications markets?

15. What has been, and now is, the legal and policy relationship, if any, between the compensation paid by interexchange carriers for access services from independent local exchange carriers and that paid by South Central Bell Telephone Company or BellSouth Telecommunications, Inc. for intraLATA calls?




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Attorneys for AT&T Communications of the
South Central States, Inc.

CERTIFICATE OF SERVICE

I, Val Sanford, hereby certify that I have on this 5th day of June, 2000 served via Hand-Delivery or first class mail, a copy of the foregoing Statement of Issues by AT&T Communications of the South Central States, Inc. on T. G. Pappas and R. Dale Grimes, Esq. Bass, Berry & Sims, 2700 First American Center, 313 Deaderick Street, Nashville, TN 37238-2700 and a copy to Vance Broemel, Esq., Consumer Advocate Division, 425 5th Avenue, North, Nashville, Tennessee 37243.


Val Sanford